

HUD's Workforce Development Initiatives



The Department of Housing and Urban Development (HUD) has a strong commitment to providing employment opportunities, training and supportive services to assist low-income persons in becoming self-sufficient. In addition, many of HUD's economic development programs generate large numbers of new jobs. It is important that these opportunities for employment be made available to low-income residents of the communities where the jobs are created.

These workforce development and job creation efforts are a part of HUD's welfare-to-work strategy and resources. These programs benefit welfare recipients who reside in public and assisted housing as well as others who live in low-income communities. The following descriptions provide a look at the many ways in which the Department is approaching the challenge of helping people move to self-sufficiency.

EMPLOYMENT, TRAINING AND SUPPORTIVE SERVICES

- The **WELFARE TO WORK RENTAL VOUCHER PROGRAM** subsidizes rents of low-income families to enable them to rent apartments near available jobs, transportation or child care. These new Section 8 vouchers are targeted to families who are currently receiving, are eligible for, or have left welfare within the last two years and for whom housing assistance is essential to obtaining or retaining employment. The welfare to work vouchers have been made available to communities on a competitive basis that required housing authorities to develop their programs in collaboration with welfare and workforce development agencies. This ensures that the housing assistance is combined with childcare and other services that families need for a successful transition from welfare to work. It also ensures that the vouchers are provided to the families for whom they will be most critical to a successful transition. The program was initiated in late 1999 with \$280 million in rental assistance vouchers awarded to 121 state and local housing agencies. These vouchers will help 50,000 families in 35 states successfully move from welfare to work.

- **FAMILY SELF-SUFFICIENCY (FSS)**, authorized by the National Affordable Housing Act of 1990, promotes the development of local strategies to coordinate use of rental subsidies with public and private resources to help residents of public housing and participants in the Section 8 rental voucher programs become self-sufficient through education, training, case management and other supportive services. Families who volunteer to participate sign a five-year contract with the PHA specifying the steps both the family and the PHA will take to move them toward financial independence. Participants can also save money and build assets through FSS: an escrow credit, which is calculated by the PHA based on increases in earned income of the participating family, is deposited in an interest-bearing escrow account which the family can claim upon successful completion of the FSS contract.

While there are no HUD funds for services, funds are available from the operating subsidy for public housing FSS service coordinators. PHAs that administer Section 8 FSS programs are able to apply for funding to pay the salary of a Section 8 FSS coordinator. FY 2000 Section 8 service coordinator funding is \$25 million. Also, many PHAs partner with local TANF agencies, using TANF, MOE or other funds for either the PHA or TANF agency to hire FSS service coordinators.

- **NEIGHBORHOOD NETWORKS** is a community-based approach to establishing computer learning centers in FHA-insured and assisted multi-family developments. Neighborhood Networks computer learning centers give residents access to the job skills training, formal education, and community services needed for employment. The programs are operated in privately-owned HUD-insured and assisted housing, and local partners support the program through donations—used computers, educational and technical software, job training, business development, volunteers, capital funding, and linkages with schools and community colleges. While no specific funds are provided for Neighborhood Networks, assisted housing owners may use funds from a project's residual receipts account to pay for learning center development. Owners may also borrow funds from the replacement reserve account. Over 500 Neighborhood Network Centers are currently in operation nationwide.
- The **HOPE VI** program awards competitive grants to PHAs for the comprehensive revitalization of severely distressed public housing developments. Unlike traditional modernization programs, HOPE VI requires PHAs to focus on the economic and social needs of residents as well as the physical conditions of the development. Up to 15 percent of a project's funds may be used for supportive services such as education, job training, employment, and day care assistance, and these resources are to be directed primarily to families moving off of public assistance. PHAs are expected to partner with local TANF administering agencies to coordinate their efforts and leverage their funding and expertise to support mutual clients. There are currently 131 Hope VI grants in 81 cities across the country. FY 2000 funding is \$525 million.
- The **RESIDENT OPPORTUNITIES AND SELF-SUFFICIENCY PROGRAM (ROSS)** provides grants on a competitive basis to PHAs, Indian Housing Authorities, resident organizations and cooperating nonprofit organizations for services designed to enhance the self-

sufficiency of residents of public and assisted housing. There is a wide range of eligible activities, including employer linkage and job placement, education, employment training and counseling, computer training, child care, transportation, entrepreneurship development, micro-loan funds, credit union development, homeownership training and counseling, youth mentoring, outreach and referral services to wellness, mental health and substance abuse services, and renovation or repair of vacant dwelling units, common areas, or off-site locations to provide space for these activities. Some of these funds are also for grants for elderly and disabled service coordinators. In FY 1999, the Economic Development and Supportive Services (EDSS) and Tenant Opportunities (TOP) programs were transformed into the new ROSS program. FY 2000 ROSS funding is \$55 million.

- **YOUTHBUILD** provides opportunities to economically disadvantaged young adults (ages 16-24) to achieve self-sufficiency. The on-site training portion of the program teaches construction skills by hands-on construction or rehabilitation of low-income housing or housing for the homeless. When not on the construction site, participants are provided with education, social services, counseling, and leadership training. In 2000 alone, the Youthbuild program is expected to serve between 5,000 and 6,000 youth. FY 2000 funding is \$43 million.
- The **COMMUNITY OUTREACH PARTNERSHIP CENTER** program provides three-year, \$400,000 grants to universities and colleges working jointly with community groups and local government on a wide variety of urban issues. Nearly 100 campus/community partnerships have been funded since the program began in 1994, with 15 added each year. Many of the projects provide for outreach of campus technical resources to enhance job training, education, and access to human services, and are linked to local efforts to support residents' transition from welfare-to-work. FY 2000 funding is \$8 million.
- The **SUPPORTIVE HOUSING PROGRAM (SHP)** is a competitive grant program that helps a range of grantees develop housing and related supportive services for people moving from homelessness to independent living. The program is part of the Continuum of Care, HUD's overall approach to breaking the cycle of homelessness. The Continuum of Care model features a coordinated community-based process of identifying needs and building a system to address them. Supportive services include employment assistance, child care, outpatient health services, case management, help in getting permanent housing, nutritional counseling, and security arrangements. Eligible applicants include States, local governments, PHAs, tribes, private nonprofits, and nonprofit community mental health associations. SHP funding depends on grant applications, and is expected in FY 2000 to be approximately \$600,000 of HUD's \$1 billion Homeless Assistance Grant category.
- **2020 EDUCATIONAL CENTERS (TEC)** is a HUD initiative whose purpose is to change public housing developments into campuses where residents can pursue educational opportunities and access job training and employment possibilities. The program provides public housing residents at 25 sites with an opportunity to

live in a college-like setting that is focused on learning. No specific funds are provided. Using HOPE VI or Public Housing Capital funds to physically reconfigure public housing developments, PHAs can create TEC facilities by leveraging additional resources from local schools, universities, businesses and other private-sector partners. These organizations provide internships, job training and employment opportunities, mentoring, telecommunication resources, apprenticeships, and training positions to residents. This program was formerly called Campus of Learners.

- The **PUBLIC & INDIAN HOUSING DRUG ELIMINATION PROGRAM** provides funds for counseling, education, training, physical improvement, local law enforcement, and other activities relating to the prevention and elimination of drug abuse and crime in public and Tribal housing. Employment and training activities are funded as part of prevention. Grants are now provided as formula rather than competitive funding. FY 2000 funding is \$310 million.
- The **PUBLIC HOUSING CAPITAL FUND** provides capital funding on a formula basis to all housing authorities. Up to twenty percent of the annual grant may be used for management improvements. These funds may also be used to support certain activities to help residents become employed, such as Section 3 initiatives and apprenticeship programs. FY 2000 funding is \$2.9 billion.
- **STEP-UP** provides an apprenticeship-based framework for preparing public housing residents and other low-income persons for employment in the construction trades and building maintenance occupations. Local partnerships between housing agencies, labor unions, employers, and supportive service providers typically offer six to twelve weeks of pre-employment and readiness training and then up to a year of cross-trades on-the-job work experience designed to provide access to specific trade apprenticeships or further employment opportunities. Step-Up enables local agencies and contractors to comply with Section 3 and Federal labor standards requirements. There is no specific funding for Step-Up, but agencies may use funds from existing programs such as HOPE VI, CDBG, Economic Development and Supportive Services, as well as funds from other sources such as the Department of Labor's Workforce Investment Act and Welfare-to-Work Grants. Started in 1992, Step-Up has served over 1,000 individuals. HUD and DOL have designated 26 programs as Step-Up sites with 18 currently active.

JOB CREATION

- **COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)** provide flexible funding to cities and counties for the development of viable communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for low- and moderate-income persons. In addition to generating construction jobs through projects such as housing rehabilitation and public facility construction, CDBG funds can be used to provide permanent jobs through economic development projects. CDBG funds are also used to provide job training and

supportive services that help low-income persons seek and retain employment. Up to 15 percent of each community's CDBG allocation may be used for services, and much of that can be spent on job training and related areas. CDBG funding is allocated primarily through entitlement communities (metropolitan cities and urban counties) and through State and small city programs. Entitlement communities conduct their own programs, while States allocate funds to nonentitlement communities at the State and small city level. FY 2000 funding is \$4.8 billion.

- The **EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES (EZ/EC)** initiative combines tax incentives for business development and job creation with a comprehensive approach to community revitalization of the neediest urban and rural regions. A total of 72 urban areas and 33 rural communities were designated, on a competitive basis, as Empowerment Zones or Enterprise Communities in 1994. Fifteen communities were selected as Round Two Empowerment Zones in 1999. Workforce development activities in the designated communities—such as job creation, job training, and entrepreneurial support—may be funded through federal Social Services Block Grant funds and State and local financial resources. FY 2000 funding for urban areas is \$45 million.
- The **ECONOMIC DEVELOPMENT INITIATIVE (EDI)** supports job creation projects through its financing of community and economic development initiatives. EDI supplements the Section 108 Loan Guarantee and Community Development Block Grant programs by putting additional equity into community and economic development programs. EDI has helped finance projects as varied as shopping centers, restaurants, and entertainment complexes, all of which generated new construction and long-term employment opportunities. EDI is funded at \$275 million in FY 2000.
- **SECTION 3** of the Housing and Urban Development Act of 1968, as amended in 1992, requires housing and community development agencies to ensure that low- and very low-income people benefit from economic opportunities—such as jobs, training, and construction contracts—generated by HUD funds. The 1994 interim regulations went further—setting specific goals for recipients and contractors. The interim regulations also identify priority target groups for new hiring, stipulating the order in which employment, training, and contracting opportunities should be provided to beneficiaries. Responding to these changes, innovative housing authorities are using their construction programs (including Public Housing Capital Fund and HOPE VI funding) to reinforce Section 3 goals. Language in their bid documents specifies hiring goals as well as any reporting or other requirements contractors must meet. In addition to enforceable bid document language, a successful Section 3 initiative also requires that mechanisms be in place to ensure that a workforce of eligible Section 3 candidates are available as training, employment, and contracting opportunities arise.

DEMONSTRATIONS

- **JOBS PLUS** is a seven-site demonstration that combines a place-based service saturation model with job-focused community organizing and work incentives in rental policy. The aim is to assist every able-bodied adult welfare recipient in seven public housing developments to move-to-work. With our partners—the Department of Labor, seven local housing authorities, the Rockefeller Foundation and other funders, and the Manpower Demonstration Research Corporation—we are monitoring, analyzing, and communicating the outcomes of this demonstration.
- **BRIDGES TO WORK** is a five-site demonstration to connect inner-city residents with suburban employment opportunities by providing job placement, transportation and support services including child care and counseling. Each participating community has formed a regional collaborative consisting of neighborhood groups, private employers, nonprofit service providers, regional transportation providers, metropolitan planning organizations and local and State governments to provide the resources necessary to help job-ready inner-city residents succeed in becoming self-sufficient by finding and keeping suburban employment.
- **MOVING-TO-WORK (MTW)** gave twenty public housing authorities the flexibility to provide housing assistance that gives incentives to resident heads of households to obtain employment and become economically self-sufficient. The PHAs selected for MTW will have considerable freedom in determining how to use Federal funds to most effectively provide housing and related assistance to low-income families. They will be permitted to create a single pool of resources by combining operating subsidies, modernization funding and Section 8 tenant-based assistance certificates and vouchers. The funding must be used by the PHA to provide housing assistance for low-income families and services such as employment training to facilitate the transition to work. An example of the use of flexibility is that PHAs must establish a rent policy designed to encourage employment and self-sufficiency on the part of participating families.
- **MOVING TO OPPORTUNITY FOR FAIR HOUSING** is a 10-year research demonstration that combines tenant-based rental assistance with housing counseling to help very low-income families move from poverty-stricken urban areas to low-poverty neighborhoods. Moving to Opportunity tests the impact of housing counseling and other assistance on the housing choices of Section 8 households, as well as the long-term effects of access to low-poverty neighborhoods on the housing, employment, and educational achievements of the assisted households. The goal is to develop more effective mobility strategies for recipients of tenant-based housing assistance in metropolitan areas throughout the nation.

FOR MORE INFORMATION, CONTACT A COMMUNITY BUILDER IN YOUR LOCAL HUD OFFICE OR SEE HUD'S WORKFORCE DEVELOPMENT AND WELFARE REFORM WEB PAGE AT WWW.HUD.GOV/WLFFREFRM.HTML.